

DEPARTMENT OF THE ARMY  
Missouri River Division, Corps of Engineers  
P.O. Box 103, Downtown Station  
Omaha, Nebraska 68101-0103

CEMRD-CO-C

MRD-415-1-7

Regulation  
No. 415-1-7

1 September 1989

Construction  
CONTRACT TERMINATION

1. Purpose. To establish policy and standing operating procedures (SOP) to protect the Government's interest and assure timely action in close-out after termination or other adverse actions have been initiated.

2. Applicability. This regulation applies to all construction contracts administered by subordinate and/or serviced organizations of the Missouri River Division.

3. References.

- a. FAR 49.4
- b. EFARS 49.000
- c. AFARS 49.000
- d. DFARS 49.402

4. General. Termination for default is generally the exercise of the Government's contractual right to completely or partially terminate a contract because of the contractor's actual or anticipated failure to perform its contractual obligations. Termination for convenience is generally a Government action and is the result of change in mission and is in the best interest of the Government.

5. Policy. This regulation prescribes basic requirements to be included in a standing operating procedure (SOP) to be prepared by the District to provide control and overall management of the termination process. The SOP will outline all involved elements, responsibilities, checklist of duties and milestone duration for action.

6. Procedures for Termination.

a. Reporting channels will be developed within the District and field offices to respond to potential termination cases. Information control will be in accordance with security and privacy act procedures.

b. Area/Resident engineers will be provided assigned responsibilities and actions to protect the Government's interest at the project site and support the contracting officer's decisions. These assignments should contain time schedules for completion of the necessary tasks to support the termination process.

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c. Districts will request authority from the Division to terminate in accordance with the contracting officer's authority and operating regulations. Request for authority to terminate a contractor's right to proceed should include the following information: (1) contract number and name of contractor; (2) description of the work required by the contract; (3) amount of contract; (4) description of bonds involved by type and amount; (5) completion date; (6) whether contractor is behind schedule and, if so, how much; (7) statement as to whether all excusable delays have been allowed; (8) reasons for contractor's delay; and (9) reasons why termination is in the interest of the Government.

d. District Engineers will appoint a termination board to manage and assure timely finalization of the contract close-out.

7. Close-out Plan. A plan for close-out with dates of completion of the various actions will be submitted to Missouri River Division, ATTN: CEMRD-CO-CM, within 30 days following issuance of the termination letter.

FOR THE COMMANDER:

/s/  
ALAN C. SMITH  
LTC, EN  
Deputy Commander

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